

SENATE BILL REPORT

HB 2321

As of February 22, 2016

Title: An act relating to removing disincentives to the voluntary formation of regional fire protection service authorities by equalizing certain provisions with existing laws governing fire protection districts and by clarifying the formation process.

Brief Description: Removing disincentives to the voluntary formation of regional fire protection service authorities by equalizing certain provisions with existing laws governing fire protection districts and by clarifying the formation process.

Sponsors: Representatives Stokesbary, Reykdal, Peterson, Fitzgibbon, Tharinger and Van De Wege.

Brief History: Passed House: 2/16/16, 73-24.

Committee Activity: Government Operations & Security: 2/22/16.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & SECURITY

Staff: Alex Kearns (786-7416)

Background: Regional Fire Protection Service Authority (RFA). RFAs are municipal corporations established for the purpose of conducting specified fire protection functions at a regional level. An RFA is created through the merging of two or more adjacent fire protection jurisdictions, including fire protection districts, cities, towns, port districts, municipal airports, and Indian tribes. No jurisdiction may participate in more than one RFA. The governing body of each jurisdiction participating in an RFA must appoint three elected officials to serve on the RFA planning committee. The planning committee is responsible for adopting an RFA plan providing for the design, financing, and development of fire protection and emergency services within the RFA. The committee must also recommend sources of revenue to fund selected services and projects.

Once the plan is adopted, it is forwarded to the participating jurisdictions to initiate the election process. The required margin for voter approval depends on the revenue sources proposed by the plan. If the plan does not authorize benefit charges or 60 percent voter-approved taxes, the ballot measure must be approved by a simple majority. If however, the plan authorizes the authority to impose benefit charges or 60 percent voter-approved taxes, the ballot measure must be approved by 60 percent of the voters.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Benefit Charges. A benefit charge is a type of assessment imposed upon a property owner by an RFA based upon the measurable benefits to be received by the property owner from services provided by the RFA. An RFA may use this funding approach as a means for apportioning the real costs of service to an individual property in a manner designed to reflect the actual benefits provided to that property. Before holding an election to determine if a benefit charge will be imposed, the governing authority of an RFA must hold a public hearing at which it sets forth the benefit charge proposal. Each year a public hearing must be held to review and establish the RFA benefit charges for the subsequent year.

Property Tax Rate Limits and Prorationing. The Washington Constitution limits regular property tax levies to a maximum of 1 percent of the property's value – \$10 per \$1,000 of assessed value. For property tax purposes, the state, counties, and cities generally have rate maximums and aggregate rate maximums to keep the total tax rate for regular property taxes within the constitutional limit. Junior taxing districts, a term that includes fire, hospital, and most other special purpose districts, also have specific statutory rate limits. The tax rates for counties, cities, and most junior taxing districts must fit within an overall rate limit of \$5.90 per \$1,000 of assessed value. If the \$5.90 limit is exceeded, statute establishes the sequential order in which the levies of various junior taxing districts must be proportionally reduced or eliminated – a process referred to as prorationing – to conform to the \$5.90 limit. Under current law, fire protection districts, but not RFAs, may protect up to \$0.25 per \$1,000 of assessed value levy authority through exceptions to general prorationing requirements.

Summary of Bill: Regional Fire Protection Authority. The definition of a participating fire protection jurisdiction is modified to specify that the term can include an RFA.

The governing body of each RFA must prepare an annual fiscal accountability report summarizing activity from the preceding calendar year, including:

- total annual revenue by source;
- total annual expenditures by category;
- total population, square miles, and assessed property value within its boundaries; and
- the achievement response time objectives for each county, city, and town within the authority for (1) first responder arrival time at emergency medical incidents, and (2) advanced life support unit arrival time at emergency medical incidents.

The report must be presented publicly and accepted formally at a public governing board meeting, as well as posted to the authority's website and distributed to the governing bodies of all counties, cities, and towns within the boundaries of the authority.

Benefit Charge. The public hearing required before an election on benefit charge proposals may be conducted by an RFA planning committee, rather than just an RFA governing board, if the benefit charge is proposed as a part of the initial formation of an RFA.

Prorationing. An RFA may protect up to \$0.25 per \$1,000 of assessed value levy authority through an exception to general prorationing requirements. Additionally, future levy capacity protections are extended to RFAs that impose benefit charges so that the levy of an RFA may be set at the amount which would otherwise be allowed if the property tax levy for the RFA had been set at the full amount authorized by law, including any levy that would have been imposed but for provisions barring the imposition of the levy because of an imposed benefit

charge. The levy-related provisions for RFAs apply to property taxes levied for collection in 2017 and thereafter.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains several effective dates. Please refer to the bill.

Staff Summary of Public Testimony: PRO: This is substantively similar to Senate Bill 6204, which this committee voted in favor of.

Persons Testifying: PRO: Eric Robertson, Valley Regional Fire Authority; Ed Widdis, Snohomish County Fire District 1.

Persons Signed In To Testify But Not Testifying: PRO: Dylan Doty, WA Fire Chiefs.